

# **iLOQ Danmark ApS**

**Borupvang 3, 2750 Ballerup**

**Company reg. no. 37 79 33 96**

## **Annual report**

**1 January - 31 December 2020**

The annual report was submitted and approved by the general meeting on the 10 February 2021.

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**Sirpa Sallanko**

Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Statsautoriseret Revisionspartnerselskab

CVR-nr.: 29442789

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## Management's report

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Today, the board of directors and the managing director have presented the annual report of iLOQ Danmark ApS for the financial year 1 January - 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Ballerup, 29 January 2021

### Managing Director

Dennis Overvad Christiansen

### Board of directors

Tomi Karjalainen

Sirpa Sallanko

Dennis Overvad Christiansen

## Independent auditor's report

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To the shareholder of iLOQ Danmark ApS

### Opinion

We have audited the financial statements of iLOQ Danmark ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent auditor's report

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Aarhus, 29 January 2021

### **Redmark**

State Authorised Public Accountants  
Company reg. no. 29 44 27 89

**Morten Ryberg Nielsen**

State Authorised Public Accountant  
mne33221

## Company information

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<b>The company</b>	iLOQ Danmark ApS Borupvang 3 2750 Ballerup
	Company reg. no. 37 79 33 96 Established: 31 May 2016 Financial year: 1 January - 31 December 5th financial year
<b>Board of directors</b>	Tomi Karjalainen Sirpa Sallanko Dennis Overvad Christiansen
<b>Managing Director</b>	Dennis Overvad Christiansen
<b>Auditors</b>	Redmark Statsautoriseret Revisionspartnerselskab Sommervej 31C 8210 Aarhus V
<b>Parent company</b>	iLOQ OY

## Management commentary

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### **The principal activities of the company**

Like previous years, the principal activities are marketing and sales of digital locking systems. The market is mainly focused on Denmark and other Scandinavian countries.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 5.617.973 against DKK 3.385.340 last year. Income or loss from ordinary activities after tax totals DKK 198.241 against DKK 144.195 last year. Management considers the net profit for the year satisfactory.



## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Gross profit</b>	<b>5.617.973</b>	<b>3.385.340</b>
1 Staff costs	-5.333.815	-3.144.774
<b>Operating profit</b>	<b>284.158</b>	<b>240.566</b>
2 Other financial costs	-18.741	-13.040
<b>Pre-tax net profit or loss</b>	<b>265.417</b>	<b>227.526</b>
Tax on ordinary results	-67.176	-83.331
<b>Net profit or loss for the year</b>	<b>198.241</b>	<b>144.195</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	198.241	144.195
<b>Total allocations and transfers</b>	<b>198.241</b>	<b>144.195</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Non-current assets</b>		
Deposits	41.085	37.650
Total investments	41.085	37.650
<b>Total non-current assets</b>	<b>41.085</b>	<b>37.650</b>
<b>Current assets</b>		
Trade receivables	1.186.000	889.000
Other receivables	132.636	145.219
Prepayments and accrued income	8.383	93.862
Total receivables	1.327.019	1.128.081
Available funds	1.682.873	406.671
<b>Total current assets</b>	<b>3.009.892</b>	<b>1.534.752</b>
<b>Total assets</b>	<b>3.050.977</b>	<b>1.572.402</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>		<u>2020</u>	<u>2019</u>
<u>Note</u>			
<b>Equity</b>			
3	Contributed capital	50.000	50.000
4	Retained earnings	530.062	331.821
	<b>Total equity</b>	<b><u>580.062</u></b>	<b><u>381.821</u></b>
<b>Liabilities other than provisions</b>			
	Other debts	374.475	89.688
	Total long term liabilities other than provisions	<u>374.475</u>	<u>89.688</u>
	Trade creditors	163.125	224.209
	Debt to group enterprises	0	151.250
	Income tax payable	55.176	76.172
	Other payables	1.878.139	649.262
	Total short term liabilities other than provisions	<u>2.096.440</u>	<u>1.100.893</u>
	<b>Total liabilities other than provisions</b>	<b><u>2.470.915</u></b>	<b><u>1.190.581</u></b>
	<b>Total equity and liabilities</b>	<b><u>3.050.977</u></b>	<b><u>1.572.402</u></b>

### 5 Contingencies

## Notes

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All amounts in DKK.

	<u>2020</u>	<u>2019</u>
<b>1. Staff costs</b>		
Salaries and wages	4.876.104	2.799.650
Pension costs	422.175	320.901
Other costs for social security	35.536	24.223
	<u>5.333.815</u>	<u>3.144.774</u>
Average number of employees	<u>6</u>	<u>4</u>
<b>2. Other financial costs</b>		
Financial costs, group enterprises	5.000	9.583
Other financial costs	13.741	3.457
	<u>18.741</u>	<u>13.040</u>
<b>3. Contributed capital</b>		
Contributed capital 1 January	<u>50.000</u>	<u>50.000</u>
	<u>50.000</u>	<u>50.000</u>
<b>4. Retained earnings</b>		
Retained earnings 1 January	331.821	187.626
Profit or loss for the year brought forward	198.241	144.195
	<u>530.062</u>	<u>331.821</u>
<b>5. Contingencies</b>		
<b>Contingent liabilities</b>		
Lease liabilities		
The company has entered into operational leases contracts with an average annual lease payment of DKK 808.013. The leases contracts have up to 48 months left to run, and the total outstanding lease payments total DKK 2.038.959.		

## Notes

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All amounts in DKK.

### 5. Contingencies (continued)

#### Contingent liabilities (continued)

Rent commitments

The company has entered into rent contracts with an average monthly rent payment of DKK 13.296. The rent contracts can be terminated with one month notification.

## Accounting policies

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The annual report for iLOQ Danmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

## Accounting policies

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Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

### Income statement

#### Gross profit

The gross profit comprises the net turnover, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for sales, advertising, administration, loss on receivables, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

## Accounting policies

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### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### **Investments**

#### **Deposits**

Deposits are measured at amortised cost and represent lease deposits, etc.

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

#### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

#### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

#### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

#### **Liabilities other than provisions**

Liabilities other than provisions relating to investment properties are measured at amortised cost.